

Claims

WHAT IS CLAIMED:

1. A method for facilitating trading of securities over a computer system, comprising the steps of:
 - electronically receiving a first buy or sell order for a security from a first user;
 - determining that said first order is reasonably priced;
 - transmitting to a second user an electronic notification that a reasonably priced order for said security is present, but without notifying said second user of the side of said first order;
 - receiving a second order from said second user, wherein said second order is a contra to said first order and sufficiently aggressive in price to cross said first order; and
 - executing a trade comprising said first order and said second order at said first order's limit.
2. A method as in claim 1, wherein said step of determining that said first order is reasonably priced comprises calculating a block price range.
3. A method as in claim 2, wherein said step of calculating a block price range is based on recent or current market prices.
4. A method as in claim 2, wherein said step of calculating a block price range is based on recent volatility in said security..
5. A method as in claim 2, wherein said first order is determined to be reasonably priced if priced at least as aggressive as a passive end of said block price range.
6. A method as in claim 2, wherein said step of calculating a block price range comprises predicting a price range likely to occur within a first predetermined time period.
7. A method as in claim 6, wherein said block price range is recalculated at intervals of time approximately equal to said first predetermined time period.
8. A method as in claim 1, wherein said step of determining that said first order is reasonably priced comprises comparing said first order's limit price to a National Best Bid

if said first order is a buy order and to a National Best Offer if said first order is a sell order, wherein said National Best Bid or National Best Offer are determined when said first order is received, and wherein said first order is determined to be reasonably priced because said first order's limit price is within a predetermined number of cents or fractions of cents of the National Best Bid or National Best Offer to which said limit price is compared..

9. A method as in claim 1, further comprising transmitting an electronic contra order notification to said second user after said second order is received, said contra order notification indicating that a nearly matching contra order is active within the system.

10. A method as in claim 9, wherein said second user receives said contra order notification only after a second predetermined time period has lapsed.

11. A method as in claim 1, further comprising transmitting an electronic contra order notification to said first user after said second order is received, said contra order notification indicating that a nearly matching contra order is active within the system.

12. A method as in claim 11, wherein said first user receives said contra order notification immediately after said second order is received.

13. An electronic system for facilitating securities trading, comprising:

- a trade facilitation system;

- a financial information exchange network in communication with said trade facilitation system;

- a communication network in communication with said trade facilitation system;

- one or more user terminals in communication with said communication network and said financial information exchange network; and

- an execution engine in communication with said communication network;

- wherein said trade facilitation system comprises a facilitator module, a financial information exchange server, a transactional database, and an analytics server.

14. A system as in claim 13, wherein said analytics server evaluates securities orders received from said users by comparing price aggression of said orders to a block price range for a security to which said order is directed.

15. A system as in claim 14, wherein said orders are required to be multiples of a block size larger than average size orders received by broker-dealers.

16. A system as in claim 14, wherein said block price range is calculated by said analytics server based on recent market prices and volatility of said security.